



General Assembly

Substitute Bill No. 1145

January Session, 2001

***AN ACT CONCERNING REFUNDS OF PAYMENTS, TAX CREDIT
EXCHANGES, AND CERTAIN BUSINESS TAX CREDITS.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 2-35 of the general statutes is repealed and the
2 following is substituted in lieu thereof:

3 All bills carrying or requiring appropriations and favorably
4 reported by any other committee, except for payment of claims against
5 the state, shall, before passage, be referred to the joint standing
6 committee of the General Assembly having cognizance of matters
7 relating to appropriations and the budgets of state agencies, unless
8 such reference is dispensed with by a vote of at least two-thirds of each
9 house of the General Assembly. Resolutions paying the contingent
10 expenses of the Senate and House of Representatives shall be referred
11 to said committee. Said committee may originate and report any bill
12 which it deems necessary and shall, in each odd-numbered year,
13 report such appropriation bills as it deems necessary for carrying on
14 the departments of the state government and for providing for such
15 institutions or persons as are proper subjects for state aid under the
16 provisions of the statutes, for the ensuing biennium. In each even-
17 numbered year, the committee shall originate and report at least one
18 bill which adjusts expenditures for the ensuing fiscal year in such
19 manner as it deems appropriate. Each appropriation bill shall specify

20 the particular purpose for which appropriation is made and shall be
21 itemized as far as practicable. The state budget act may contain any
22 legislation necessary to implement its appropriations provisions,
23 provided no other general legislation shall be made a part of such act.
24 The state budget act passed by the legislature for funding the expenses
25 of operations of the state government in the ensuing biennium shall
26 contain a statement of estimated revenue, itemized by major source,
27 for each appropriated fund. The statement of estimated revenue
28 applicable to each such fund shall include, for any fiscal year, an
29 estimate of total revenue with respect to such fund, which amount
30 shall be reduced by (1) an estimate of total refunds of taxes to be paid
31 from such revenue in accordance with the authorization in section 12-
32 39f and (2) an estimate of total refunds of payments to be paid from
33 such revenue in accordance with the provisions of section 4-37, as
34 amended by this act. Such statement of estimated revenue, including
35 the estimated refunds of taxes to be offset against such revenue, shall
36 be supplied by the joint standing committee of the General Assembly
37 having cognizance of matters relating to state finance, revenue and
38 bonding. The total estimated revenue for each fund, as adjusted in
39 accordance with this section, shall not be less than the total net
40 appropriations made from each fund. On or before July first of each
41 fiscal year said committee shall, if any revisions in such estimates are
42 required by virtue of legislative amendments to the revenue measures
43 proposed by said committee, changes in conditions or receipt of new
44 information since the original estimate was supplied, meet and revise
45 such estimates and, through its cochairpersons, report to the
46 Comptroller any such revisions.

47 Sec. 2. Section 4-37 of the general statutes is repealed and the
48 following is substituted in lieu thereof:

49 The Comptroller, upon application of any state department or
50 commission, may draw an order upon the Treasurer in favor of any
51 person equitably entitled to the refund of any money paid to the state,
52 for the amount of such refund. [Any such payments from the General
53 Fund shall be made from funds appropriated to the Comptroller for

54 this purpose.] The State Treasurer shall pay the amount of such refund
55 from the fund to which such payment is credited.

56 Sec. 3. Section 14-23 of the general statutes is repealed and the
57 following is substituted in lieu thereof:

58 The commissioner may make application to the Comptroller for a
59 refund when any person surrenders his or her registration or number
60 plate or plates on any noncommercial motor vehicle and is inducted
61 into the armed forces, as defined by section 27-103, during the then
62 current registration period, such refund to be figured on a quarterly
63 prorated basis but not to exceed three-quarters of the registration fee.
64 The Comptroller, upon application of the commissioner and with the
65 approval of the Attorney General, shall draw [his] an order on the
66 Treasurer in favor of any person who has been inducted into the
67 armed forces for a refund of money paid for the registration of a motor
68 vehicle. [, and the amount thereof shall be charged by the Treasurer
69 against any funds in his hands to the credit of the Department of
70 Transportation.]

71 Sec. 4. Section 14-31 of the general statutes is repealed and the
72 following is substituted in lieu thereof:

73 Any person may surrender to the commissioner the registration
74 certificate and the number plates for any motor vehicle with a
75 commercial registration in the name of such person, if such motor
76 vehicle, prior to the expiration of the term of its registration, has
77 become unfit for use, accompanied by a statement under oath attesting
78 to the unfitness of such vehicle, and the commissioner shall thereupon
79 make application to the Comptroller for the refund to such registrant
80 of such portion of the registration fee for such motor vehicle as is
81 applicable to the number of months between the date of such
82 surrender and the date of the expiration of such registration. The
83 Comptroller, upon such application, shall draw [his] an order on the
84 Treasurer in favor of such registrant for the amount of the refund
85 provided for herein. [and such amount shall be charged by the

86 Treasurer against any funds appropriated to the commissioner for
87 refunds of income.] The commissioner shall retain [in his files] a record
88 of each such application for a refund and of the action of the
89 Comptroller thereon, and shall not reregister such motor vehicle.

90 Sec. 5. Section 12-217ee of the general statutes is repealed and the
91 following is substituted in lieu thereof:

92 (a) Any taxpayer that (1) is a qualified small business, (2) qualifies
93 for a credit under section 12-217j or section 12-217n, and (3) cannot
94 take such credit in the taxable year in which the credit could otherwise
95 be taken as a result of having no tax liability under this chapter may
96 elect to carry such credit forward under this chapter or may apply to
97 the commissioner as provided in subsection (b) of this section to
98 exchange such credit with the state for a [cash payment] credit refund
99 equal to sixty-five per cent of the value of the credit. Any amount of
100 credit refunded under this section shall be refunded to the taxpayer
101 under the provisions of this chapter, except that such credit refund
102 shall not be subject to the provisions of section 12-227.

103 (b) An application for [such payment] refund of such credit amount
104 shall be made to the Commissioner of Revenue Services, at the same
105 time such taxpayer files a final return for the income year, on such
106 forms and containing such information as prescribed by said
107 commissioner. If the commissioner determines that the taxpayer
108 qualifies for a [payment] credit refund under this section, the
109 commissioner shall notify, no later than one hundred twenty days
110 from receipt of the application for such [payment] credit refund, the
111 State Comptroller of the [names] name of the eligible taxpayer, and the
112 State Comptroller shall draw an order on the State Treasurer in the
113 amount thereof for payment to such taxpayer.

114 (c) The Commissioner of Revenue Services may disallow the
115 [exchange] credit refund of any credit otherwise allowable for a taxable
116 year under this section if the company claiming the exchange has any
117 amount of taxes due and unpaid to the state including interest,

118 penalties, fees and other charges related thereto for which a period in
119 excess of thirty days has elapsed following the date on which such
120 taxes were due and which are not the subject of a timely filed
121 administrative appeal to the commissioner or of a timely filed appeal
122 pending before any court of competent jurisdiction. Before any such
123 disallowance, the commissioner shall send written notice to the
124 company, stating that it may pay the amount of such delinquent tax or
125 enter into an agreement with the commissioner for the payment
126 thereof, by the date set forth in said notice, provided, such date shall
127 not be less than thirty days after the date of such notice. Failure on the
128 part of the company to pay the amount of the delinquent tax or enter
129 into an agreement to pay the amount thereof by said date shall result
130 in a disallowance of the [exchange] credit refund being claimed.

131 (d) For purposes of this section "qualified small business" means a
132 company that (1) has gross income for the previous income year that
133 does not exceed seventy million dollars, and (2) has not, in the
134 determination of the commissioner, met the gross income test through
135 transactions with a related person, as defined in section 12-217w.

136 Sec. 6. Subsection (j) of section 32-9t of the general statutes is
137 repealed and the following is substituted in lieu thereof:

138 (j) The credits allowed by this section may be claimed by a taxpayer
139 who has made an investment (1) directly only if such investment has a
140 total asset value of not less than [twenty] ten million dollars; or (2)
141 through a fund managed by a fund manager registered under this
142 section only if such fund: (A) Has a total asset value of not less than
143 sixty million dollars for the income year for which the initial credit is
144 taken; and (B) has not less than three investors who are not related
145 persons with respect to each other or to any person in which any
146 investment is made other than through the fund at the date the
147 investment is made.

148 Sec. 7. Section 12-217y of the general statutes is repealed and the
149 following is substituted in lieu thereof:

150 (a) As used in this section:

151 (1) "Business firm" means any business entity authorized to do
152 business in this state and subject to the corporation business tax
153 imposed under this chapter;

154 (2) "Qualifying employee" means during fiscal year 2000 or with
155 respect to the business firm's income year commencing in 2000 or
156 thereafter, any employee who is employed not less than thirty hours
157 per week by the same business firm and who, at the time of being
158 hired by such business firm, is and has been receiving benefits from
159 the temporary family assistance program for more than nine months
160 and meets other requirements that the Labor Commissioner may
161 establish in regulations adopted in accordance with chapter 54. For
162 purposes of this subdivision, the number of hours per week an
163 employee participates in a job training program approved by the Labor
164 Commissioner shall be included in calculating the number of hours
165 such employee is employed.

166 (b) Any business firm which desires to hire a qualifying employee in
167 any income year commencing on or after January 1, 1997, may apply to
168 the Labor Commissioner for an allocation of a tax credit in an amount
169 equal to one hundred twenty-five dollars for each full month that such
170 employee is employed by such firm. In addition, in any income year
171 commencing on or after January 1, 2001, any business firm which
172 employs a qualifying employee, may apply to the Labor Commissioner
173 for an allocation of a tax credit in an amount equal to forty dollars for
174 each full month that such employee participates in a job training
175 program approved by the Labor Commissioner while employed by
176 such firm. The application for a tax credit under this subsection shall
177 set forth information that said commissioner deems necessary in
178 regulations adopted in accordance with chapter 54.

179 (c) Applications shall be submitted annually, before such
180 expenditures are made, to the Labor Commissioner on or after July
181 first but not later than December thirty-first. The commissioner shall

182 approve or disapprove each application within sixty days of its
183 submission to the commissioner based on (1) the compliance of such
184 application with the provisions of this section, (2) regulations adopted
185 pursuant to this section, and (3) the amount of tax credits remaining in
186 the annual allotment provided in this section for the year involved.
187 The commissioner shall approve applications in the order in which
188 they are received in the commissioner's office between July first and
189 December thirty-first of each year. If the commissioner approves the
190 application of the business firm and if the limit for tax credit for that
191 year has not yet been allocated, the commissioner shall allocate and
192 commit an amount of tax credits to such business firm. Any business
193 firm receiving such an allocation shall, within thirty days of the end of
194 its income year, submit a report on the number of full months that
195 qualifying employees were employed by such firm during such year.

196 (d) The credit shall be claimed on the tax return for the income year
197 during which qualifying employees were employed for full months by
198 the business firm. Any tax credit not used in the period during which
199 the expenditure was made may be carried forward for the five
200 immediately succeeding income years until the full credit has been
201 allowed.

202 (e) In no event shall the total amount of all tax credits allowed to all
203 business firms pursuant to the provisions of this section exceed [one]
204 two million dollars in any one fiscal year and five hundred thousand
205 dollars of such amount shall be allocated to the job training portion of
206 such credit.

207 (f) No credit under subsection (c) of this section shall be allowed,
208 with respect to wages paid to any qualifying employee, to any
209 business firm that has previously been granted a tax credit under this
210 section with respect to wages paid to the same employee.

211 Sec. 8. This act shall take effect July 1, 2001, and section 7 shall be
212 applicable to income years commencing on or after January 1, 2001.

FIN *Joint Favorable Subst.*